GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4225
ANSWERED ON:12.12.2016
WTO's ruling on Solar Cells
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the WTO has upheld its earlier ruling and has rejected India"s appeal against domestic content requirements for manufacturing solar cells and modules if so, the details thereof;
(b) whether the WTO has also agreed that the rules discriminated against the U.S. manufacturers; and
(c) if so, the remedial steps the Government is taking to protect indigenous manufacturers through the "Make in India" initiatives?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) to (c): In the WTO dispute DS456 filed by the United States against India, India appealed before the WTO Appellate Body, against the Panel findings and rulings. Based on the recommendations of the Appellate Body, the WTO Dispute Settlement Body (DSB) ruled that the Domestic Content Requirement (DCR) under Phase I and Batch I & Batch II of Phase II of India's Jawaharlal Nehru National Solar Mission (JNNSM) programs is inconsistent with WTO Agreement as it discriminates between the products manufactured domestically and the imported products.
Government of India has provided a number of schemes for the purpose of extending support to the domestic manufacturers. Some of them are related to extension of concessional excise and custom duties, provision of capital subsidies for setting up of manufacturing units for solar cells and modules and the entire value chain under Modified Special Incentive Package Scheme (M-SIPS) programme etc.
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